

DIRECT TESTIMONY OF**JOHN E. FOLSOM, JR.****ON BEHALF OF****SOUTH CAROLINA ELECTRIC & GAS COMPANY****DOCKET NO. 2018-163-E**

1 **Q. PLEASE STATE YOUR NAME, BUSINESS ADDRESS, AND**
2 **OCCUPATION.**

3 A. My name is John Edward (“Eddie”) Folsom, Jr. I am currently employed
4 by South Carolina Electric & Gas Company (“SCE&G”) located at 6248 Bush
5 River Road, Columbia, South Carolina 29212. At SCE&G, I currently serve as
6 Power Marketing Manager within SCE&G’s Power Marketing Department.

7 **Q. HAVE YOU EVER TESTIFIED BEFORE THE PUBLIC SERVICE**
8 **COMMISSION OF SOUTH CAROLINA (“COMMISSION”)?**

9 A. No, this is my first time testifying before the Commission.

10 **Q. WHAT IS YOUR EDUCATIONAL BACKGROUND?**

11 A. In 1990, I received a Bachelor of Science degree in Mechanical
12 Engineering from the University of South Carolina.

13 **Q. WHAT IS YOUR EMPLOYMENT BACKGROUND?**

14 A. In 1989, while still a student, I began working for SCE&G and SCANA
15 Corporation (“SCANA”) as an Engineering Student Assistant and have been
16 working for SCE&G and SCANA ever since. I have served in various roles
17 during my career, but from 2000 to present, I have worked in SCE&G’s Power
18 Marketing Department in multiple roles, including Power Marketing Manager and

1 Real Time Trading Operations. In these roles, I have primarily represented
2 SCE&G in the wholesale power market by (i) negotiating power supply
3 agreements for full-requirements customers and serving as the account manager
4 for such long-term power supply agreements, (ii) negotiating numerous long-term
5 or seasonal Power Purchase Agreements (“PPA”) to support SCE&G’s resource
6 adequacy requirements, (iii) negotiating numerous renewable PPAs in conjunction
7 with SCE&G’s obligations under the Public Utilities Regulatory Policy Act of
8 1978, 16 U.S.C. §§ 2601, et seq. (“PURPA”), and (iv) participating in hourly,
9 daily, and weekly power markets to support reliable and cost-effective
10 optimization of SCE&G’s generation fleet in conjunction with opportunities for
11 short-term wholesale power transactions. Additionally, my responsibilities in the
12 Power Marketing Department require a high degree of familiarity with the Federal
13 Energy Regulatory Commission (“FERC”) regulations, SCE&G’s Open Access
14 Transmission Tariff (“OATT”) and the Open Access Transmission Tariffs of other
15 Transmission Providers, and other regulatory requirements pertinent to SCE&G’s
16 business operations.

17 **Q. PLEASE FURTHER EXPLAIN THE POWER MARKETING**
18 **DEPARTMENT’S COMPLIANCE OBLIGATIONS WHEN MAKING**
19 **PURCHASES OR SALES IN THE WHOLESALE MARKET AND YOUR**
20 **FAMILIARITY WITH THESE OBLIGATIONS.**

21 A. When SCE&G’s Power Marketing Department makes purchases and sales
22 in the wholesale power market, these transactions are under the jurisdiction of the

1 FERC. There are many compliance obligations associated with these FERC-
2 jurisdictional transactions. The FERC requires an entity wishing to make sales of
3 electric power in interstate commerce to secure an approved rate on file with the
4 FERC. Typically, SCE&G's wholesale power sales are made pursuant to either
5 the negotiated market sales tariff, which is on file and approved by the FERC, or a
6 cost-based rate formula on file and approved by the FERC. SCE&G is also
7 required to provide quarterly updates to the FERC through "Electric Quarterly
8 Reports" regarding wholesale power sales made during the previous quarter.
9 Additionally, I have at times been a "Transmission Customer," meaning that I
10 procured interstate transmission services offered under the Open Access
11 Transmission Tariffs of various Transmission Providers, which is necessary to
12 effectuate wholesale power purchases and sales. When the counterparty is a
13 vertically integrated utility, the FERC's Standards of Conduct require that utility
14 to negotiate the transmission service agreement separately and independently of
15 the PPA. For example, if I were to make a wholesale power purchase from, or
16 wholesale power sale to, another utility, I would negotiate a PPA with that utility's
17 Marketing Function Employees, and I would separately negotiate any related
18 transmission service arrangement(s) with that utility's — or the relevant utility's
19 — Transmission Function Employees.

20 **Q. SO YOU ARE FAMILIAR WITH THE FERC'S STANDARDS OF**
21 **CONDUCT?**

1 A. Yes, I am very familiar with the FERC's Standards of Conduct. The FERC
2 developed its Standards of Conduct to prevent Transmission Function Employees
3 from providing affiliated Marketing Function Employees undue preferences over
4 non-affiliated customers. Marketing Function Employees are those who engage,
5 on a daily basis, in "the sale for resale in interstate commerce, or the submission of
6 offers to sell in interstate commerce, of electric energy or capacity, demand
7 response, virtual transactions, or financial or physical transmission rights, all as
8 subject to an exclusion for bundled retail sales, including sales of electric energy
9 made by providers of last resort (POLRs) acting in their POLR capacity." 18
10 C.F.R. § 358.3 (2018).

11 As SCE&G's Power Marketing Manager, I am the primary interface with
12 the wholesale power markets pertaining to long-term power purchases and sales.
13 Examples of the types of long-term power contracts under my purview include
14 full-requirements power supply agreements with municipals, and other wholesale
15 PPAs to support SCE&G's resource adequacy requirements or to optimize the
16 value of SCE&G's generation portfolio. This activity makes me a Marketing
17 Function Employee. As a Marketing Function Employee, I receive regular
18 compliance training on the FERC's Standards of Conduct, and my business unit,
19 SCE&G Power Marketing, has policies and procedures in place to ensure
20 compliance with these rules.

21 **Q. PLEASE EXPLAIN HOW THE FERC'S STANDARDS OF CONDUCT**
22 **RELATE TO YOUR JOB.**

1 A. In its simplest terms, Transmission Function Employees, like Matthew
2 ("Matt") Hammond, who are engaged in transmission operations, must work
3 independently of Marketing Function Employees, like me. Transmission Function
4 Employees also cannot share non-public transmission information with Marketing
5 Function Employees. To ensure compliance with these requirements, SCE&G's
6 Regulatory Compliance Department developed physical and electronic security
7 rules to ensure Transmission Function Employees and Marketing Function
8 Employees work independently of one another and that non-public transmission
9 information is not shared.

10 Assume a generation developer wants to interconnect with SCE&G's
11 transmission system and also wants to sell power to SCE&G. Under the FERC's
12 Standards of Conduct, SCE&G Transmission Function Employees study how the
13 injection of power at the proposed point of interconnection impacts SCE&G's
14 transmission system and then negotiate an IA. SCE&G Transmission Function
15 Employees must conduct these studies and negotiate any resulting IA(s) (as
16 defined herein) "independent of" (i.e., with no assistance from) SCE&G
17 Marketing Function Employees. Likewise, SCE&G's Marketing Function
18 Employees negotiate PPAs separately and without involvement from SCE&G
19 Transmission Function Employees.

20 **Q. CAN YOU SIMPLY WALK OVER AND TALK TO YOUR COLLEAGUE,**
21 **MATT HAMMOND?**

1 A. No. While we are both SCE&G employees, we have different FERC
2 Standards of Conduct classifications. To ensure compliance with the FERC's
3 Standards of Conduct, our offices are physically separated, with Marketing
4 Function Employees having controlled access to various SCANA facilities.
5 SCANA's and SCE&G's Marketing Function Employees are not allowed beyond
6 the lobby of SCE&G-Transmission under any circumstances. Likewise,
7 SCE&G's Transmission Function Employees do not have access to the offices of
8 Marketing Function Employees.

9 If I have a reason to conduct a business discussion with Matt Hammond, or
10 any other Transmission Function Employee, I must notify SCE&G's Regulatory
11 Compliance Department and provide the reason for the proposed meeting.
12 SCE&G's Regulatory Compliance Department then determines whether or not the
13 meeting is appropriate and, if it is, someone from SCE&G's Regulatory
14 Compliance Department monitors the meeting in accordance with SCE&G's
15 compliance procedures.

16 The physical separation extends beyond just meetings in our offices. Matt
17 Hammond and I are not even allowed to ride in the same car together to go to a
18 customer meeting. When the FERC says Transmission Function Employees must
19 function independently, it essentially means SCE&G Transmission Function
20 Employees and SCE&G Marketing Function Employees are "walled off" from one
21 another.

22 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

1 A. The purpose of my testimony is to provide a true recounting of the facts
2 surrounding the negotiation, execution, and eventual termination of the PPA
3 (“SolAmerica PPA”) referenced in the Motion to Maintain Status Quo
4 (“Complaint”) filed by SolAmerica SC, LLC and Edgefield County S1, LLC
5 (“SolAmerica”) in this Docket No. 2018-163-E. The SolAmerica PPA is attached
6 hereto as **Exhibit A** and incorporated herein.

7 **Q. WHEN DID SOLAMERICA FIRST BEGIN PPA DISCUSSIONS WITH**
8 **SCE&G?**

9 A. SolAmerica first contacted SCE&G in 2016 and informed me of its desire
10 to sell the entire output of a solar generator it was contemplating developing as a
11 Qualifying Facility (“QF”) under PURPA. On July 12, 2016, SCE&G and
12 SolAmerica executed a Confidentiality Agreement, and I provided SolAmerica
13 with the then-current standard PPA template on July 14, 2016.

14 **Q. DID YOU KNOW WHETHER SOLAMERICA HAD AN EXECUTED**
15 **INTERCONNECTION AGREEMENT (“SOLAMERICA IA”) AT THAT**
16 **TIME?**

17 A. No. A solar developer has the option of negotiating its PPA or its
18 Interconnection Agreement (“IA”) first. Some developers establish an IA first,
19 while others negotiate the PPA first. It is also common for these negotiations to
20 run in parallel.

1 **Q. WHY DID YOU ASK SOLAMERICA FOR A COPY OF THE**
2 **SOLAMERICA IA INSTEAD OF JUST ASKING SOMEONE IN SCE&G-**
3 **TRANSMISSION?**

4 A. As previously discussed, SCE&G's Marketing Function Employees and
5 Transmission Function Employees are functionally, physically, and electronically
6 separated in order to comply with the FERC Standards of Conduct. Among all of
7 the various communications that occur with the developer during the PPA
8 development process, it is perfectly logical for SCE&G Power Marketing to
9 request the counterparty of the PPA to provide a copy of its IA, to the extent it has
10 one, to assist with PPA development. We believe this is a best practice under our
11 compliance program as well.

12 **Q. WHY DID YOU REVIEW SOLAMERICA'S IA?**

13 A. My primary concern was understanding the anticipated reliability of the
14 interconnection for the project, which directly impacts the counterparty's ability to
15 perform under the PPA. Additionally, Section 3.1(b)(i) of the SolAmerica PPA
16 allowed SolAmerica to terminate the SolAmerica PPA if the costs of its upgrades
17 under the SolAmerica IA exceed a specified amount. I needed to verify that this
18 specified dollar amount, which could have triggered a termination right for
19 SolAmerica pursuant to Section 3.1(b)(i) of the SolAmerica PPA, was reasonable.

20 **Q. WHEN DID SOLAMERICA ACTUALLY EXECUTE THE SOLAMERICA**
21 **PPA WITH SCE&G?**

1 A. The SolAmerica PPA was fully executed on April 9, 2018, almost two
2 years after SCE&G provided it with its first standard PPA template.

3 **Q. WAS THERE A REASON FOR SUCH A LONG DELAY?**

4 A. The timing of completing the fully executed SolAmerica PPA was
5 primarily based on SolAmerica's readiness to move forward. SCE&G Power
6 Marketing provided several PPA templates to SolAmerica during this period of
7 time, all of which we were willing to use to complete and execute a PPA.
8 Discussions became more focused in February 2018 when we notified SolAmerica
9 that we were changing the term of our PPA to a shorter term (i.e., 10-year term)
10 and if they wanted to transact on the 20-year term that had been discussed, they
11 had a limited window of time to agree to terms and move forward. I again wrote
12 to SolAmerica on March 2, 2018, and notified them that our terms would be
13 changing and that they needed to execute a PPA soon if they desired to preserve
14 the 20-year term for the SolAmerica PPA. The March 2, 2018 correspondence is
15 attached hereto as **Exhibit B** and incorporated herein. In response to my March
16 2nd email, SolAmerica indicated that they were considering an 18-month
17 completion date. SolAmerica made no mention of a desire to match the
18 completion date to any IA deadlines. *See **Exhibit B**.*

19 **Q. WAS SCE&G REQUIRED TO LET SOLAMERICA KNOW THEY**
20 **NEEDED TO COMMIT SOON IF THEY WANTED TO PRESERVE THE**
21 **ABILITY TO NEGOTIATE A PPA WITH A 20-YEAR TERM?**

1 A. No, but SCE&G has the reputation of being a fair party to negotiate with,
2 and we determined that honoring the 20-year term for SolAmerica and two (2)
3 other similarly situated counterparties within a specified window of time was
4 appropriate and fair.

5 **Q. DID SCE&G OFFER MORE FAVORABLE PPA TERMS TO OTHER**
6 **SIMILARLY SITUATED DEVELOPERS?**

7 A. No. SCE&G operates off of then standard PPA terms when negotiating
8 with a developer. In fact, as I noted previously, SCE&G reached out to
9 SolAmerica to notify SolAmerica that SCE&G's standard PPA terms would be
10 changing.

11 **Q. WAS SCE&G UPDATING ITS PR-2 RATE WITH THE COMMISSION**
12 **DURING ITS FINAL NEGOTIATIONS WITH SOLAMERICA?**

13 A. Yes. On February 23, 2018, SCE&G made filings with the Commission to
14 update its avoided cost, PR-2 rate by lowering its rates per kWh for energy and
15 eliminating payments for capacity delivered from solar QFs to SCE&G's system.

16 **Q. IN ADDITION TO SECURING THE 20-YEAR TERM BY AGREEING TO**
17 **TERMS IN EARLY MARCH, DID SOLAMERICA ALSO HAVE**
18 **INCENTIVE TO AGREE TO TERMS OF A PPA PRIOR TO THE**
19 **EFFECTIVE DATE OF THE PR-2 RATE CHANGE REQUESTED IN THE**
20 **FEBRUARY 23, 2018 FILINGS?**

21 A. Yes. Provided that SolAmerica agreed to terms of a PPA prior to the
22 effective date of the PR-2 rate change, SolAmerica was eligible to receive the

1 higher rates per kWh for energy and a payment for capacity delivered from its
2 facility to the Company's system under the Company's old PR-2 Rate. However,
3 once the proposed new PR-2 Rate was Commission-approved and effective, the
4 Company could no longer offer the old PR-2 Rate to SolAmerica. SCE&G's
5 policy as to which PR-2 Rate applies to a given PPA is well-established and has
6 been consistently applied. SolAmerica's filing of the Motion to Maintain Status
7 Quo evidences SolAmerica's recognition of the benefits of the PR-2 Rate
8 applicable to the SolAmerica PPA, which SolAmerica executed prior to the PR-2
9 Rate change and even though it had not secured the necessary funds to make
10 payment of the Development Period Credit Support for the project.

11 **Q. PLEASE DEFINE THE TERM "DEVELOPMENT PERIOD CREDIT**
12 **SUPPORT" AS CONTAINED IN THE SOLAMERICA PPA.**

13 A. The SolAmerica PPA defines "Development Period Credit Support" as a
14 "form of security posted by [SolAmerica] in order to secure its obligations prior to
15 the Commercial Operation of the Facility. . . ."

16 **Q. WHAT HAPPENS IF A DEVELOPER FAILS TO POST ITS**
17 **DEVELOPMENT PERIOD CREDIT SUPPORT (USED HEREIN AS**
18 **DEFINED IN THE SOLAMERICA PPA) WITHIN THE REQUIRED 30-**
19 **DAY PERIOD?**

20 A. Just as happened with SolAmerica, the PPA automatically terminates
21 pursuant to Section 9.3. No action is required by SCE&G, and the PPA terminates
22 by its own terms. Section 9.3 provides, "[t]he Development Period Credit Support

1 shall be posted within thirty (30) calendar days of the Effective Date of this
2 Agreement; provided, however, that if such Development Period Credit Support is
3 not posted within thirty (30) calendar days of the Effective Date of this
4 Agreement, this Agreement shall become null and void and deemed to be
5 terminated. . . .”

6 **Q. WHEN DID SOLAMERICA AGREE TO THE COMPLETION DEADLINE**
7 **CONTAINED IN THE SOLAMERICA PPA?**

8 A. SolAmerica and SCE&G agreed to September 23, 2019, as the Completion
9 Deadline (used herein as defined in Section 4.2 of the SolAmerica PPA)
10 (“Completion Deadline”). This date for the Completion Deadline was then
11 included in the SolAmerica PPA that was agreed to in principle on March 6, 2018.
12 *See **Exhibit B.*** Pursuant to Section 4.4 of the SolAmerica PPA, because the
13 Completion Deadline was established as September 23, 2019, the Commercial
14 Operation Date was required to occur within thirty days later, i.e., no later than
15 October 23, 2019 (“Commercial Operation Date Deadline”).

16 **Q. IS THAT WHEN SOLAMERICA FIRST ASKED YOU TO ALIGN THE**
17 **SOLAMERICA PPA DATE WITH ITS EXISTING SOLAMERICA IA**
18 **DATES?**

19 A. No. SolAmerica, during the course of our almost two years of intermittent
20 negotiations, did not express the need or desire to align its Commercial Operation
21 Date Deadline with those dates contained in its previously executed IA. I did not
22 learn of SolAmerica’s desire to align the two agreements until after the

1 SolAmerica PPA was executed and it was submitted to the Commission. Further,
2 SolAmerica did not and still does not want to align the SolAmerica PPA date with
3 its previously executed SolAmerica IA date. Instead, SolAmerica is alleging that
4 its subsequently executed SolAmerica PPA (now terminated) should be grounds
5 for changing the Milestone dates contained in its previously agreed to and
6 executed SolAmerica IA (now in default).

7 **Q. WHEN DID YOU LEARN SOLAMERICA DESIRED TO EXTEND THE**
8 **MILESTONE DATES, AGAIN, IN ORDER TO ALIGN THE**
9 **SOLAMERICA IA WITH THE SOLAMERICA PPA?**

10 A. I did not learn of this claim until after the SolAmerica PPA was executed,
11 filed with the Commission, and accepted for filing by the Commission.
12 SolAmerica offered its alignment desire as an excuse for not posting its
13 Development Period Credit Support within 30 days after executing the
14 SolAmerica PPA and just a couple of weeks after it was filed with the
15 Commission for acceptance.

16 **Q. IS THERE A PROVISION IN THE SOLAMERICA PPA THAT ALLOWS**
17 **SOLAMERICA TO ALIGN THE COMMERCIAL OPERATION DATE, AS**
18 **DEFINED IN THE SOLAMERICA PPA, WITH THE MILESTONE DATES**
19 **CONTAINED IN THE SOLAMERICA IA?**

20 A. Yes. Section 4.6 affords a developer, such as SolAmerica, the flexibility to
21 achieve Commercial Operation earlier than required by the standard provisions in
22 the SolAmerica PPA. This provision would have allowed SolAmerica to align the

1 SolAmerica PPA with the SolAmerica IA by allowing SolAmerica to move up the
2 Commercial Operation Date provided in the PPA. Section 4.6 states:

3 [SolAmerica] may, but shall not be required to, achieve Commercial
4 Operation on a date that is earlier than the Commercial Operation Date
5 Deadline; provided, however, if [SolAmerica] intends or expects to achieve
6 Commercial Operation on a date that is earlier than four (4) months prior to
7 the Commercial Operation Date Deadline, it must so notify [SCE&G] in
8 writing of such date by no later than three (3) months prior to the
9 Commercial Operation Date.

10 This provision was intended to provide SolAmerica with additional flexibility
11 while implementing the SolAmerica PPA and, in fact, SCE&G recently has had
12 two developers utilize this provision in their PPAs and accelerate Commercial
13 Operation. One developer with an original anticipated Commercial Operation
14 Date in early 2019 accelerated its actual Commercial Operation Date to December
15 2017. Another developer with an original anticipated Commercial Operation Date
16 in early 2020 has accelerated its project's anticipated Commercial Operation Date
17 to October 2019.

18 **Q. IS THERE A REGULATORY REQUIREMENT OR CONTRACT**
19 **PROVISION THAT REQUIRES SCE&G TO ALIGN THE IA DATES**
20 **WITH A PPA WHEN NEGOTIATING WITH A QF?**

21 A. No. SCE&G is not responsible for ensuring SolAmerica negotiated a
22 Completion Deadline in the SolAmerica PPA that aligned with the SolAmerica IA

1 Milestones. If SolAmerica wanted the dates to align then it should have ensured
2 the dates aligned when negotiating the SolAmerica PPA. I cannot think of an
3 example in a commercial situation where two sophisticated parties are negotiating
4 a contract and one party has the obligation or duty to ensure that the counterparty
5 consulted the counterparty's existing contract and ensured its existing contract
6 agrees with the contract it is presently negotiating.

7 SolAmerica is a sophisticated party. SolAmerica understands it needs an
8 interconnection agreement and a power purchase agreement. It understands it is
9 responsible for the construction schedule it negotiates. SolAmerica is in the best
10 position to raise any issues they are concerned about, such as aligning terms of a
11 contract they are negotiating with the terms contained in another existing contract.

12 This is similar to how transactions occur in the wholesale market. If
13 SCE&G is selling power in the wholesale market, I have to ensure that any
14 transmission service agreement that SCE&G is required to provide aligns with the
15 power sales agreement if desired. If I reserve transmission service that does not
16 align, as desired, with the power sales agreement, SCE&G, not the counterparty,
17 has a problem.

18 There are no contractual provisions in the SolAmerica PPA that require the
19 dates to align with the Milestones of the SolAmerica IA. In addition, Section 15.5
20 of the SolAmerica PPA notes that the written PPA constitutes the entire agreement
21 between SolAmerica and SCE&G with respect to the sale of power and that any
22 amendment to the SolAmerica PPA must be in writing.

1 Finally, just as a practical matter, under SCE&G's Standards of Conduct
2 compliance program I cannot simply ask SCE&G-Transmission whether they are
3 negotiating new dates or whether they intend to amend existing dates. I did not
4 know whether SolAmerica was negotiating with SCE&G-Transmission when they
5 were negotiating with me. Also, I did not and still do not have access to SCE&G-
6 Distribution and SCE&G-Transmission construction information. Finally, as I
7 stated earlier, I have other solar developers who recently moved up their
8 Commercial Operation Date under their PPAs to align with their IAs as allowed
9 under Section 4.6 of the PPA.

10 **Q. AS A PRACTICAL MATTER, DO THE DATES OF AN IA AND A PPA**
11 **HAVE TO ALIGN?**

12 A. No, and again, if the solar developer desires the dates to align then they
13 must ensure it is so when negotiating the IA and the PPA. The existence of
14 Section 4.6 in the PPA alone demonstrates that the dates in an IA and a PPA may
15 not align, and affords a solar developer the ability to move up the anticipated
16 Commercial Operation Date in the PPA if appropriate.

17 **Q. DURING PPA NEGOTIATIONS WITH SOLAMERICA, WERE YOU**
18 **AWARE SOLAMERICA AND SCE&G-TRANSMISSION DISCUSSED**
19 **EXTENDING THE MILESTONES UNDER THE IA, AGAIN, TO**
20 **DECEMBER OF 2018?**

21 A. No. The SolAmerica IA is a separate document from the SolAmerica PPA.
22 Matt Hammond and SCE&G-Transmission are responsible for an IA agreement.

1 Pursuant to SCE&G's compliance program, Matt Hammond and I do not
2 communicate about his negotiations of an IA or my negotiations of a PPA.

3 **Q. IS THERE A PROVISION IN THE SOLAMERICA PPA THAT REQUIRES**
4 **THE PARTIES TO ACT IN GOOD FAITH?**

5 A. Yes. Section 15.8 provides that "the Parties agree to act in accordance with
6 the principles of good faith and fair dealing in the performance of the Agreement."

7 **Q. DO YOU BELIEVE SOLAMERICA ACTED IN ACCORDANCE WITH**
8 **PROVISIONS OF SECTION 15.8?**

9 A. No. SolAmerica knew the terms of its existing SolAmerica IA when it
10 negotiated the SolAmerica PPA. It also knew when it signed the SolAmerica PPA
11 it had to post the Development Period Credit Support within 30 days. SolAmerica
12 knew it had to post the Development Period Credit Support when the two parties
13 filed the PPA with the Commission for acceptance. Despite all of this,
14 SolAmerica turned around and filed the Complaints with the Commission within
15 just a couple of weeks of asking the Commission to accept the SolAmerica PPA.

16 **Q. WILL SCE&G NEGOTIATE A NEW PPA WITH SOLAMERICA UNDER**
17 **CURRENT TERMS AND CONDITIONS?**

18 A. Yes. SCE&G will negotiate in good faith with SolAmerica based on the
19 terms and conditions of the standard PPA that is in use at the time of those
20 negotiations. SolAmerica will be treated comparably to other similarly situated
21 solar developers even if SolAmerica does not have a shovel-ready project.

1 **Q. TO DATE, HAS SCE&G NEGOTIATED THE SOLAMERICA PPA WITH**
2 **SOLAMERICA IN GOOD FAITH AND ABIDED BY THE SOLAMERICA**
3 **PPA’S TERMS?**

4 **A.**Yes. SCE&G has acted in good faith at all times and treated SolAmerica
5 comparably to other similarly situated solar developers.

6 **Q. DOES THAT CONCLUDE YOUR TESTIMONY?**

7 **A.**Yes.